GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2531
ANSWERED ON:16.03.2007
MELTING OF COINS
Madhwaraj Smt. Manorama;Patel Shri Kishanbhai Vestabhai

Will the Minister of FINANCE be pleased to state:

(a) whether the cases of coin melting are increasing in the country ;

(b) If so, whether the Government has made any study to find out the reasons for such trend;

(c) if so, the details thereof ;

(d) whether the Government proposes to replace such coins whose value of metals is exceeding the currency value;

(e) if so, the details thereof; and

(f) the steps taken/being taken by the Government; and

(g) the time by which the Government proposes to replace such coins in the country?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a), (b) & (c): Some incidence of melting of coins have been reported in newspapers and have come to notice of various law enforcement agencies. The reason for melting of coins is due to steep increase in metal price during the last two years.

(d): Yes, Sir. Rs.2/- and Rs.5/- Cupro-Nickel coins are being replaced by issue of Rs.2/- and Rs.5/- Ferritic Stainless Steel coins.

(e), (f) & (g): Fresh production of Rs.2/- and Rs.5/- Cupro - Nickel coins, the cost of which has increased from its face value, have since been stopped during 2006-2007. The same are being replaced by issue of Rs.2/- and Rs.5/- Ferritic Stainless Steel coin. Rs.2/- Ferritic Stainless Steel coin is now already in circulation. Rs.5 Ferritic Stainless Steel Coin is expected to be in circulation during 2007-08.